

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2003

	October-03				September-03				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net	Net	Ended 6/30/2003	Ended 6/30/2003
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
Los Angeles Capital	89,516	2.3%	2.3%	5.18%	85,073	2.3%	2.3%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	-1.88%	-21.24%	-6.07%
Total Structured Growth	89,516	2.3%	2.3%	5.18%	85,073	2.3%	2.3%	4.99%	10.42%	-1.88%	-21.24%	-6.07%
Russell 1000 Growth				5.62%				3.92%	9.75%	2.94%	-21.54%	-5.03%
<i>Structured Value</i>												
LSV	87,279	2.3%	2.3%	7.62%	81,203	2.2%	2.3%	3.75%	11.66%	-2.25%	8.84%	3.73%
Russell 1000 Value				6.12%				2.06%	8.31%	-1.02%	-0.19%	1.05%
<i>S&P 500 Index</i>												
State Street	395,871	10.4%	10.5%	5.65%	374,694	10.0%	10.5%	2.64%	8.43%	0.23%	-11.28%	-1.69%
S&P 500				5.66%				2.64%	8.45%	0.25%	-11.20%	-1.62%
TOTAL LARGE CAP DOMESTIC EQUITY	572,666	15.0%	15.0%	5.87%	540,970	14.5%	15.0%	3.15%	9.20%	-0.48%	-9.33%	-1.90%
S&P 500				5.66%				2.64%	8.45%	0.25%	-11.20%	-1.62%
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>												
SEI	195,042	5.1%	5.0%	8.81%	179,207	4.8%	5.0%	9.48%	19.13%	0.09%	N/A	N/A
Russell 2000 + 200bp				8.56%				9.60%	18.99%	0.36%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	195,042	5.1%	5.0%	8.81%	179,207	4.8%	5.0%	9.48%	19.13%	0.09%	-3.49%	1.64%
Russell 2000				8.40%				9.07%	18.23%	-1.63%	-3.30%	0.97%
CONVERTIBLES												
TCW	382,762	10.0%	10.0%	4.02%	368,085	9.8%	10.0%	1.85%	5.94%	10.23%	-9.51%	3.90%
First Boston Convertible Index				3.27%				2.67%	6.03%	15.46%	-3.77%	5.29%
INTERNATIONAL EQUITY												
<i>Large Cap - Active</i>												
Capital Guardian	313,337	8.2%	8.0%	6.67%	293,175	7.8%	8.0%	8.14%	15.35%	-10.31%	-15.85%	0.02%
MSCI EAFE - 50% Hedged				5.70%				6.58%	12.65%	-11.24%	-15.51%	-5.33%
<i>Small Cap - Value</i>												
Lazard	41,876	1.1%	1.0%	5.20%	39,792	1.1%	1.0%	9.92%	15.63%	N/A	N/A	N/A
Citigroup Broad Market Index < \$2BN				6.90%				15.95%	23.96%	N/A	N/A	N/A
<i>Small Cap - Growth</i>												
Vanguard	40,622	1.1%	1.0%	5.22%	38,606	1.0%	1.0%	14.95%	20.96%	N/A	N/A	N/A
SSB BROAD MARKET INDEX < \$2BN				6.90%				15.95%	23.96%	N/A	N/A	N/A
TOTAL INTERNATIONAL EQUITY	395,835	10.4%	10.0%	6.36%	371,574	9.9%	10.0%	8.97%	15.90%	-9.20%	-15.51%	0.27%
MSCI EAFE - 50% Hedged				5.70%				6.58%	12.65%	-11.24%	-15.51%	-5.33%
DOMESTIC FIXED INCOME												
<i>Core Bond</i>												
Western Asset	970,838	25.5%	25.0%	-0.42%	973,882	26.0%	25.0%	-0.16%	-0.58%	12.77%	11.23%	8.12%
Lehman Aggregate				-0.93%				-0.14%	-1.07%	10.39%	10.07%	7.54%
<i>Index</i>												
Bank of ND	526,522	13.8%	15.0%	-1.17%	532,752	14.2%	15.0%	-0.46%	-1.63%	13.26%	10.87%	7.78%
Lehman Gov/Credit				-1.27%				-0.50%	-1.76%	13.14%	10.82%	7.83%
<i>BBB Average Quality</i>												
Strong	404,728	10.6%	10.0%	-0.91%	408,258	10.9%	10.0%	0.02%	-0.89%	17.91%	N/A	N/A
Lehman US Credit BAA				-0.91%				0.27%	-0.63%	18.33%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	1,902,088	49.9%	50.0%	-0.73%	1,914,892	51.2%	50.0%	-0.21%	-0.21%	13.18%	10.80%	7.81%
Lehman Gov/Credit				-1.27%				-0.50%	-1.76%	13.14%	10.82%	7.83%
CASH EQUIVALENTS												
Bank of ND	362,500	9.5%	10.0%	0.10%	364,833	9.8%	10.0%	0.30%	0.40%	1.57%	3.26%	4.15%
90 Day T-Bill				0.08%				0.25%	0.32%	1.52%	3.33%	4.08%
TOTAL BONDING FUND	3,810,894	100.0%	100.0%	1.93%	3,739,560	100.0%	100.0%	2.01%	3.98%	7.52%	1.61%	4.90%
POLICY TARGET BENCHMARK				1.43%				1.46%	2.91%	7.25%	2.20%	4.57%

NOTE: Monthly returns and market values are preliminary and subject to change.